

Empress of the North Internal Audit on May 23, 2004.

Crew members present:

Randy Burns	V/P Marine Operations
Jay Wiek	Captain
Tammy Giezentanner	Chief Mate
Roy Vest	2 <sup>nd</sup> Mate
Travis McKeown	3 <sup>rd</sup> Mate
Brian Elliott	Chief Engineer

First 11 night cruise of to Alaska

Meeting:

I explained that I will be meeting with each department to go over the ISM manuals to insure that all departments have a clear understanding of what is expected in each of their apartments. The importance of documentation.

Review non-conformities;

Jay Wiek:

Captain Wiek is in full understanding of the importance of the ISM and documentation. He believes that all of his staff will be sure to properly document everything as required. Captain's is quite pleased with the crew involvement with Safety and the response to drills. Captain is presently holding weekly drills followed by a safety meeting.

Currently the vessel does not have their required SOLAS Document. The original SOLAS document was issued by the USCG without the proper fire doors in place. Portland, OR USCG is requiring switches be put on each side of all fire doors through out the vessel as required.

There is currently a crew on the vessel installing all of the needed switches.

The Captains main concern at the present moment is the fact the vessel does not have the SOLAS Certificate, but is very concerned about the new USCG Security requirements.

All other required documents are currently in place.

Tammy Giezentanner, Chief Mate;

Chief Mate is currently working on the PMP's. Tammy believes that they has to be an easier way to do things. She is reviewing all of the requirements with the equipment and wants to see if she can come up with a better system.

Charts are in place, but she feels that we are still in need of some new information and is currently working on an updated list of needs. She will hope to get the list to the office by the end of the Month.

Reviewed Garbage Logs, NCR list, Training, Everything seems to be updated and in place as required. Very pleased with Safety training

Chief is somewhat concerned about familiarization sheet. She thinks that it may be to hard to maintain sheet as the season progresses; she will keep us posted if it presents a problem.

Chief's main focus is that of the Captain's and trying to understand all of the upcoming security requirements and getting the vessels SOLAS Certificate.

Brian Elliott; Chief Engineer:

Chief is very pleased with the new interest from the company and making sure that the vessel has everything that it needs.

Chief is confused about the requirements concerning the fire screen doors and the vessel not getting its SOLAS Certificate.

Reviewed PMP's, logs, standing orders, water logs- everything seems to be in place as required.

Travis McKeown and Roy Vest:

Met with both officers at the same time.

Both are confused and concerned about the fact that we do not currently have our needed SOLAS Certificate. Neither can understand how the vessel was issued a SOLAS Certs by Seattle and not PDX, especially when the company has made so many changes to insure the vessels safety.

Roy is working with Tammy (chief mate) in reviewing both the PMP plan and vessels publications to make sure that the vessel has everything that it needs.

Both Mates expressed concern about receiving goods while the vessel is in Alaska. They have asked for the written procedures for procurement while the vessel is in Alaska.

Both Mates are very concerned with meeting the new USCG Security requirements. Want to make sure that they both get to school as needed for vessel security officers. They are also concerned about Deck staff training. (Travis has been scheduled for schooling next week)

Conclusions:

The vessel has made major improvement from previous year in overall knowledge of ISM. Hopefully the vessel will continue with the documentation as needed. The vessels concern at the current time is with obtaining the SOLAS Certificate and meeting the new requirements for Security.

NCR/CAR are currently being addressed. The vessel does not currently have any major NCRs.

## ISM/SMS Internal Audit

Date/ Time	Activity	Personnel
11/13/2004	Opening meeting Discuss purpose of audit Arrange meeting times	All officers listed
<b><u>Interviews to be conducted</u></b>		
	ISM requirements Review ship's docs Review logbooks Review incidents SMS Ship management Casualties/ 2692's	Captain Nordstrom
	Reviewed PMP's Fueling procedures Equip procedures Water logs and procedures Emergency response	Chief Engineer Mark Fulton
	Charts and pubs Equip procedures SMS knowledge Ship's docs Safety meetings NCR's Near miss Emergency response Incidents PMP's Training	Mates Available

Empress of the North Internal Audit November 13, 2004.

Audit completed by Candy Westfall

Crew present:

Captain	Robert Nordstrom
Chief Mate	Roy Vest
Second Mate	Travis McKeown
Third Mate	Mike Mielke
Chief Engineer	Mark Fulton

Meeting:

All officers were advised that I would be completing an internal audit. Times were set up with each crew member to discuss their specific areas. Crew was told to think about any concerns that they had and to be prepared to discuss such concerns.

Captain Nordstrom:

The Captain readily admits that he is aware of the ISM system and understands the requirements, but has not kept up to insure that the proper documentation is being kept. His focus has been on training of new staff, security requirements and overall operations of the vessel. Captain Nordstrom had been the relief Captain and had left the ISM follow up with Captain Wiek, but now that Captain Wiek is no longer with the Company, Captain Nordstrom is now trying to follow up.

Captain Nordstrom is also looking forward to working with the new Captain Dale Orgain. Dale is currently reviewing the ISM and is planning on making recommended changes to the DPA at the end of the year. Captain Orgain believes that there are some procedures that can be streamlined to make things easier for crew on the vessel. He will review all of his recommendation with Captain Nordstrom before being presented.

Review of all Ships documents was completed and everything is current.

Review of Accident report procedures and the importance of the documentation of such event.

Captain is concerned with the relationship between Chief Mate Tammy and rest of deck officers. He has asked that I note this in my review to insure that upper management is aware of this concern.

Chief Roy Vest.

Roy is not happy with current PMP. Everything is being done as needed, but feels that our current plan is not working smartly. He believes that the documentation is a lot harder than it has to be. He will be discussing his ideas directly with the V/P Marine Operations.

Chief also is submitting a list of new publications that he would like to have for the vessel. He is hoping that we can purchase before start up of next year, nothing that has to be purchased immediately.

Roy is requesting that we have more training for first responders and would like to make sure that it is being put in to the lay-up schedule.

Review of procedures with Roy shows that the documentation is being completed, but not to his satisfaction. Roy is very concerned with the lack of Chief Giezentanners desire to follow ISM Manuals and her understanding of the importance. Roy is currently the one making sure that all documentation is being completed even when he is the Second Mate. Roy has concerns with the familiarization sheet being completed properly, he think that it is to big and this will be one of the things that is address by him during the lay-up time.

The vessel is currently holding either a safety or security drill every week. After each drill there is a all crew meeting being held to discuss problems.

Roy has a great understanding of the ISM requirements, Evacuation procedures, Documentation and making sure that training is being completed and documented.

Travis McKeown 2<sup>nd</sup> Mate:

Review of documentation shows that the 2<sup>nd</sup> mates are always documenting there handovers. Travis says that sometimes they do not use the form provided, but just write things out on a blank sheet or possibly complete turnover verbally. I explained that the Mates can propose changes to the form to make it easier, but they must document things as required.

Travis is currently working with Dale Orgain to make recommended changes to the current Fleet Manual during the lay-up season.

Travis also expressed concern about the training for first responders and would like us to have more training for them. He is going to pass on his suggested courses.

Travis has a great understanding of the ISM requirements, Evacuation procedures, Documentation and making sure that training is being completed and documented.

Garbage Logs are current.

Mike Mielke 3<sup>rd</sup> Mate:

Mike is working with Roy on the charts and publications list that the vessel will need for next year.

Mike is very concerned with Chief Tammy's lack of interest in the ISM. He believes that if were not for Chief Roy that we would not be in compliance. He hopes that upper management is aware of her lack of interest.

Mike is very happy with the addition of Dale Orgain and is excited about his review of the documentation and has passed along some of his thoughts to Dale. He is hoping that during the lay-up that changes will be made to make things a little easier.

Mike is also requesting that he go to Security School in hopes that next year he will be make promoted to either Chief or Second.

Mike is concerned about a few of the NCR's and wants to make sure that they have been put on the list to be addressed during lay-up and that they are not forgotten. He would like to see the lay-up list if possible.

Chief Engineer Mark Fulton:

Chief is very happy with engineering staffs PMPs and thinks that all crew is working as needed on the plan. All documentation is being kept and updated as needed, they have delegated so that all engineers are involved.

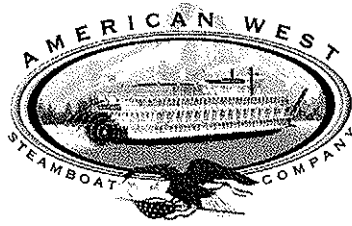
Mark is very happy with the support from the office that he has been getting. He think that the deck department are having some internal problems and thinks that needs to be addressed. The main problem seems to be with Chief Tammy.

Chief Mark believes that the crew has a clear understanding with emergency procedures and commented that the drills being held each week are actually very useful.

All of the engineering documents are current including  
Water log, PMPs, Fueling and Oil records

CC: Randy Burns, Captain Nordstrom





## **American West Steamboat Company**

### **Master's Safety Management System Review**

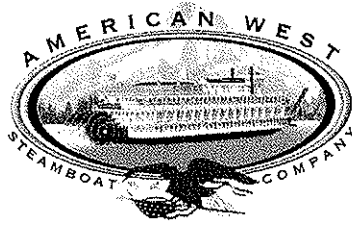
At the conclusion of the 2004 Operating Season, I conducted a year end review of the overall implementation of the AWSC SMS aboard the Empress of the North. At such time I found that all officers were familiar with the SMS and most were performing their respective jobs within the SMS guidelines. Some potential management/personnel changes were suggested to the VP Marine Operations, which should result in 100 % compliance among officers

Over the season many NCR's had been identified and submitted for corrective action. Many were corrected during the season, while several were deferred to the vessel's annual lay up period. I consulted with the VP Marine Operations and found that several scheduled repairs and modifications were to be undertaken during the lay up period and that all NCR's should be corrected prior to the vessel's return to service in March 2005.

In reviewing the SMS with the Engineering Department, I found that revised Standing Orders had been developed and that these Standing Orders refer to documented operating procedures for the Engineering Department. The revised Standing Orders will be incorporated into the SMS at the start of the 2005 season. The Engineering Operating Procedures will be maintained as separate documentation.

On the Deck Department side of the SMS several minor revisions are being contemplated/reviewed by relief Captain Dale Orgain and myself. We will review all proposed changes with our department and then submit them to the DPA for review/inclusion in another revision of the SMS.

While internal audits were coordinated and performed, onboard staff were not prepared as well as they could have been for the audit. This may be due to the fact that the audit was a new experience to most onboard personnel, but nonetheless, there is room for improvement. At the next audit, all pertinent documentation will be provided in advance to streamline and expedite the process. Additionally, the new computer based preventative maintenance system that the company will be implementing should help consolidate and document existing PMPs for all departments. Information from this system will also be reviewed during the next audit and this will be utilized for tracking of NCR's that require material or contractor services for correction.



Going into next season, we will endeavour to expand the SMS awareness throughout the unlicensed Deck and Engine Departments and also throughout the Hotel Department. While the Hotel Manager and the Senior Purser are both familiar with the SMS, their overall knowledge and utilization of same could be increased to a higher level. This will be addressed operationally aboard the vessel. The next season will include a focus on continued improvement for all departments. Additional input with regard to SMS documentation will be solicited from all officers, vice the senior officers that provided input during this season.

Submitted by:

Rob Nordstrom

Master

Empress of the North

Empress of the North Internal Audit  
September 25, 2005

Crew Members Present

Robert Nordstrom Captain  
Brian Elliott Chief Engineer  
Chief Mate Mike Mielke  
Second Mate Jim Nowlan

General Meeting:

All Staff advised that I would be completing an internal audit. I was able to set time with the above officers to meet and discuss audit questions.

**Captain Nordstrom;**

The Captain informed me that Dale Orgain is trying to highlight all of the changes that are needed in the vessel manual. This is a slow process, but both Captain Dale and Captain Nordstrom have been highlighting the requested changes. They are hoping that the changes will be ready for lay-up.

Review of all ships documents:

The review of all ships documents show that the Derat Certificate is expired; The Derat Certificate is only necessary for the international trips. The inspections is planned for the next time the vessel is in Seattle, this will be next year. I asked him to make sure that before he signs a report that he makes sue that all questions have been answered and that no spaces are left blank.

Bridge Equipment:

Captain Rob informed me that the vessel radar is not dependable; he believes that they are looking at replacing the Radars when the vessel is in lay-up.

Accident/ Injury reports:

Captain is aware that of all procedures when a crew member or passenger is injured. We discussed the Jones Act as a whole and the Captain asked questions about maintenance and cure. I asked him to make sure that before he signs a report that he makes sue that all questions have been answered and that no spaces are left blank.

Log Book/ training documents

Log is being maintained appropriately. Training records of all safety meetings and drills are also maintained on the bridge. Each week the vessel is conducting some type of safety or security drill. The Captain believes that the crew is very aware of what to do in an emergency and that the crew actively participates in all drills.

**Mike Mielke:**

Mike is very aware of the ISM policy and procedures, but says that they need to be redone to fit the vessel needs. I asked if he had passed on his recommendation of changes to the captains. He has discussed the changes that he would like with Captain Dale.

Mike is working on Deck PMP, he believes that the plan can be streamlined to be easier to maintain. Mike expressed an issue with the Radars on the bridge. He says that they are unreliable. Mike has also expressed an issue with the hand held radios, we need more and to make sure that all of them come to the vessel programmed directly.

Mike also discussed his list of requests for the lay-up period. He would like to have some work done to the rescue boat.

Mike has mentioned that he would also like to review the fire fighting equipment for the deck hands. He thinks that there are some additional items that are needed, but he has not had time to pinpoint all of the items needed.

**Jim Nowlan:**

Garbage logs, and chart corrections are being maintained by the second and third mate. We reviewed these items and are all current and being maintained appropriately. Jim admits that he has not looked at the ISM procedures in a while and can not say if he is following all items completely.

Jim has reviewed current points of the ISM procedures with Mike Mielke and Captain Dale. He believes that the changes will be made during the vessel lay-up.

Jim is very happy with the bridge staff and really has no issues.

**Brian Elliott:**

Chief Brian is very aware of the ISM requirements and feels that the engineering department is following the plan. He does feel that some changes could be made to the plan, but that plan does work for the engineering department. He will try and request and changes that he would like before the end of the season in hopes that they could be changed during the vessel lay-up.

The Engineering department is also having safety meetings on their own to discuss items in the engineering department. This is not being documented on a regular basis. We discussed the importance of documentation and that they should try and start to document and meeting that they have.

Brian has already discussed all of his machinery issues with Randy Burns and they have a clear plan to address the few items that he has during the lay-up period.

The vessel oil log books and water records are all being maintained. Brian tries to review the records at the end of every trip to make sure that they not have any issues.

In Closing:

The vessel is making progress in their documentation and training records, but some work is still needed.

It is clear that some changes need to made to the ISM manuals to make it more user friendly and vessel specific. The current plan is to submit all of these requested changed to Captain Dale before the end of the season or during lay up. They would like to have all of the changes in place before the vessel starts up in 2006.

**ISM INTERNAL AUDIT**  
**October 27, 2006**  
**EMPRESS OF THE NORTH**

Staff present:

Dale Orgain    Captain  
Mike Mielke    Chief Mate  
Brian Elliott    Chief Engineer

Meeting:

Met with these officers to discuss the internal audit process, all of have been through the process before. I set times to meet with each of them to discuss any issues that they have or equipment issued in the departments.

Dale Orgain:

Captain Dale is very outspoken with the fact that changes need to be made in the ISM system. He had actually tried to go through the manuals and make changes this passed lay-up period. He says that the job just became too much and that he did not have enough time. He admits that he did not really ask for help to make the changes nor did he let anyone know that the changes should be made a priority.

The vessel documentation is all up to date. The vessel will need to get a new Derat Certificate before it goes to Canada again. There were some ABS inspections that were done in September when the vessel was in Seattle and so the vessel should be up to date. Captain created a cover page with all of the listed documentation and when the expiration date is. He has a prompt in the Captains computer to remind him 30 days before anything expires.

Captain Dale says that they have updated some of the forms in the ISM manual to make them more user friendly. These items are not changes in the manual but are currently being used on the vessel.

There are not NCR that are not being addressed. Captain Dale has turned in his request of mechanical issues to Randy Burns and they will be addressing these issues during lay up, there is nothing of any major urgency. The only issue that he is verbal about is the fact that they do not have full use of the Paddlewheel. It seems that the wheel has gone a few repairs this past season.

Mike Mielke:

Mike was disappointed that the changes were not made to the ISM Manual during the vessel last lay-up, but they did make changes to some of the items that he requested and those changes have been put in place, but not changed yet in the manual.

Mike is somewhat frustrated with the fact that we have not been able to keep more staff. He feels strongly that we need to address pay issues for both the ABS and the Deckhands. Mike is very frustrated that he just gets someone trained and then they leave the company for a higher paying job. Mike feels that the company has not done enough research on the current rate of pay for these positions.

Mike likes working with both Captains and Jim Nowlan, but says that they have had so many changes in the 2<sup>nd</sup> and 3<sup>rd</sup> positions that he reserves judgment. He says that everyone is working hard and doing what they are supposed to with necessary duties, but he does not know them well enough yet. Mike and I reviewed the chart card and the garbage log; all items are current.

Mike does not have any equipment issues other than the fact that he would like the vessel professionally painted during lay-up.

Mike feels that we need to address the issue that is currently going on with Deck and Engineering. He does not feel that the two departments work as well together as they should. He says that the engineering department does not feel that they have to follow the same rules as the rest of the vessel.

Mike is very happy with the crew response to the drills every week. He feels that the crew was always actively aware of the dangers of being on the vessel, but that the crew takes things more serious since the grounding in March. He says that there are much more questions at the end of every drill and gets a lot of participation in every discussion.

Chief Engineer:

Brian Elliot says that things are going well in the engineering department. He likes his crew, but admits that they have had quite a few different people in the 3<sup>rd</sup>'s position. He does not know why they have not been able to keep a consistent person in that position. It could be pay or it could be that they have just had other choices. I have asked him to ask around to see if someone else in the department may have any idea.

The engineering department is just glad to be headed into the end of the season. The grounding in March still seems to be fresh in some people's minds. The big issue is that deck and engineering do not seem to get along all that well. Brian does not really know why there is tension, but it has gotten worse since the grounding in March. Brian will try and ask his crew what they think the problem is and address that with Randy if he comes to any conclusions.

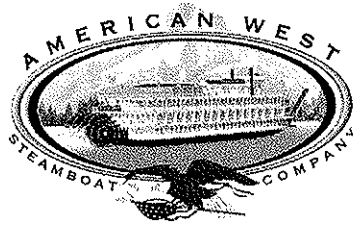
Brian and I reviewed the deck logs and water logs. All docs are up to date. Brian has issues with changes being made in Alaska next year concerning the sewage plant. I advised him to contact Randy and address the concerns now instead of later.

In Closing:

Things on the vessel are progressing each year in the ISM department, but the changes are not being maintained in the actual manuals. We may need to get outside resources to assist us with updating the documentation.

The crew clearly understands the importance of training and that the vessel has taken safety much more seriously since the grounding in March.

We may need to review the pay scale for the Abs and Deck department to see if this would help cut down in turnover. We also may need to make the deck and engineering departments sit down and get to the bottom of the tension between the two departments.



## **American West Steamboat Company Management Review of SMS**

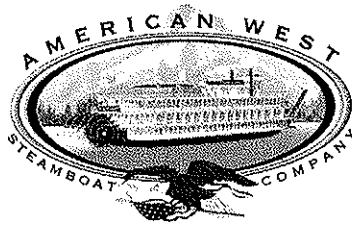
The Jan 04 to Jan 05 Management Review of the Safety Management System at American West Steamboat Company was started in May 2004. The review was started due to a large turnover of senior personnel, which necessitated several revisions within the SMS documentation. The initial review/revision was performed aboard the Empress of the North during the vessel's transit from Seattle, WA to Ketchikan, AK for the summer season. The Management Review was performed by Randy Burns and Candy Westfall.

The following revisions were implemented during the SMS review:

- Organization Chart revised to include President position held by Tom Carman.
- DPA and associated contact information changed to that of Randy Burns.
- Deck procedures and checklists revised to match actual on board procedures.
- Training requirements matrix revised to match actual USCG/Regulatory and Company requirements for all on board personnel.
- VP, Marine Operations and Marine Safety Manager positions merged into one.

During the May 2004 portion of the Management Review, the Safety Management Manual, the Fleet Instructions and the Vessel Emergency Response Plans were reviewed page by page with appropriate corrections and revisions being made at that time. To supplement this review, the Captain and the Chief Engineer were interviewed to make sure that the Fleet Instructions and Emergency Response Plans accurately reflected how the Vessel is operated and maintained. Minor corrections were made to both documents. The Chief Engineer and Captain then reviewed all SMS changes with their respective departments. After completing the May 2004 review and revision of the SMS program and associated documentation, revised documents were provided to all stakeholders by the Document Control Officer.

Over the course of the operating season (March 2004 to December 2004) 19 Non-Conformities were submitted to the DPA by the vessel. Corrective actions for all 27 NCR's are either complete or in process with anticipated completion prior to the start of the 2005 operating season. The NCR process appears to be working as intended in



that items are identified, documented and then corrected with a paper trail tied to each step. The documentation is maintained both on the vessel and ashore and is easily referenced.

The Internal Audit that was performed in November 2004 indicated inconsistency among supervisors with regard to the implementation of the SMS. These inconsistencies have been corrected through both management and personnel changes. Additionally, Captain Orgain has undertaken a season end review of all SMS documentation with the intent of identifying any current shortcomings or potentially required changes.

A review of SMS required documentation submittals indicated that shipboard personnel are performing their jobs within the guidelines and requirements of the SMS. Required Safety Meetings are being held and properly documented. Additionally, SMS issues are reviewed weekly in Operations/Staff meetings held ashore in Seattle or Portland.

Going into the 2005 season, the company will be focusing on continued improvement both aboard the vessel and ashore. A major improvement that is scheduled to be implemented and incorporated into the SMS is a computer based preventive maintenance system that will include part requisitions and order status. This will be essential to on board improvements with regards to SMS as most NCR's are associated with material or service requirements as a corrective action. The new computer based preventive maintenance system will reside aboard the vessel but it will also be replicated ashore.

Submitted by:

Randy Burns  
V.P., Marine Operations  
American West Steamboat Company